

# SmallBusinessExecutive

Informing, Inspiring and Connecting Businesses

## MBX's employee focus leads to satisfied customers, new sales

By Ann Meyer



MBX Systems COO Jill Bellak personally interviews each job applicant at the fast-growing computer hardware firm.

Zach Mitchell didn't know how lucky he was to work at MBX Systems in Wauconda until he took a job at another company.

After just a few weeks, he was having breakfast with MBX's chief operating officer Jill Bellak to ask for his old job back, which he received. Mitchell is just one of several boomerang employees who have left MBX only to return when they discovered the grass wasn't as green at another firm. In many ways, they are the best recruitment tool for the fast-growing manufacturer of custom computer hardware for software makers. With a family-oriented culture, an open-book management approach and a set of core values created by founder Tom Crowley and other executives, MBX has achieved continual revenue growth despite the ups and downs of the recession.

### Outperforming the competition

The company's employees are its most important asset, Bellak said. "Whatever else we do, we can't do it without the best people," she said. By working harder than their counterparts at competitors, the firm's employees have helped it develop a strong reputation for customer service, which in turn leads to satisfied customers and additional growth.

"Discretionary effort is the secret sauce that can separate one company from its competitors," said employee engagement consultant Bob Kelleher, who is author of "Louder Than Words: 10 Practical Employee Engagement Steps That Drive Results."

"If you can somehow capture the discretionary effort of your employees in a way that is above and beyond your competitors' employee effort...that is leverage you can actually quantify," said

Kelleher, chief executive at Employee Engagement Group in Waltham, Mass. The correlation between employee engagement and business performance often can be seen on lists of top places to work, where the companies named also tend to be profit growth leaders, Kelleher said. “If you have engaged employees, you have profitable growth,” he said.

### **Executive of the year**

MBX Systems achieved 116 percent revenue growth in 2010 from 2009, Bellak said. In July, founder and CEO Crowley was named executive of the year for computer hardware in the Stevie Awards’ 2011 American Business Awards contest in recognition of the company’s 16 consecutive years of growth in a competitive industry. To keep up with the growth, MBX Systems recently tripled its production capacity and doubled the size of its facility by adding on to its building, said marketing manager Liz Molli. It has added 30 workers since January 2010, bringing its head count to 75 full-time employees, three part-time and 17 temporary workers, Molli said.

### **Employees a referral source**

Part of MBX’s success stems from its ability to retain workers, which it does by sharing profits and encouraging their ideas. Existing employees refer about 40 percent of new hires, the company said.

Given the growing importance of word of mouth in the recruitment process, companies with satisfied workers will have an easier time attracting top candidates, experts said. “In this era of social media explosion, the whole area of employment branding is increasingly important,” Kelleher said.

MBX, which takes a thorough approach to screening candidates, hired talent scout Kim Becker last year to help with recruitment and hiring. Most applicants are given homework to prove themselves. When Molli went through the hiring process three years ago, she had to write a press release and discuss how she would approach the job, which didn’t exist before. “They wanted somebody to come in and create the position,” she said.

On the job, the company’s managers embrace servant leadership, allowing employees to come up with their own solutions to problems instead of micromanaging. When necessary, managers step in to “remove the obstacles,” Molli said.

### **Low employee turnover**

As a result, employment turnover is low. About half the workforce has been at the company for five years or longer. In turn, a consistent workforce leads to strong customer relationships.

Mitchell, a 27-year-old quality control specialist who had worked at MBX since he was 20, noticed the difference in management style as soon as he took a job at another company with a top-down approach. “I was stuck in this purgatory at this new company,” afforded less responsibility than expected, Mitchell said. “I thought I was going to jump right in,” he said.

Mitchell prefers the open-door policy at MBX, where sales, profits and customer retention figures are posted prominently to keep employees informed. In addition, “Everyone is entitled and empowered to speak their mind and come up with ideas,” Mitchell said.

Likewise, employees share in the company’s financial success, receiving profit-sharing bonuses twice a year tied to the company’s performance. Employees in certain departments are eligible for an additional monthly bonus, Molli said.

### **Posting core values**

Besides its financial goals, MBX posts its core values: quality, respect, integrity, professionalism, innovation and passion, Molli said. Passion was added in 2009 when the company adopted it as the theme for the year. This year’s motivational theme is “Build Raving Fans,” by strengthening relationships with customers, Molli said.

Many of the practices that MBX uses have been deferred at other companies during the recession, Kelleher said. “The companies that defer these things will pay dearly when the economy starts to churn again and employees leave,” he said.

*Photo update Sept. 8, 2011*